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RUEHLB/AMEMBASSY BEIRUT PRIORITY 0193
RUEHEG/AMEMBASSY CAIRO PRIORITY 0208
RUEHBY/AMEMBASSY CANBERRA PRIORITY 1977
RUEHDM/AMEMBASSY DAMASCUS PRIORITY 0404
RUEHKU/AMEMBASSY KUWAIT PRIORITY 0301
RUEHLO/AMEMBASSY LONDON PRIORITY 1692
RUEHMO/AMEMBASSY MOSCOW PRIORITY 1497
RUEHNC/AMEMBASSY NICOSIA PRIORITY 0122
RUEHFR/AMEMBASSY PARIS PRIORITY 5283
RUEHRH/AMEMBASSY RIYADH PRIORITY 0465
RUEHUL/AMEMBASSY SEOUL PRIORITY 1789
RUEHTV/AMEMBASSY TEL AVIV PRIORITY 0645
RUEHJM/AMCONSUL JERUSALEM PRIORITY 0282
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E.O. 12958: DECL: 02/01/2017

TAGS: PREL EAID PTER SY JA
SUBJECT: JAPAN NEGOTIATING TO RESUME ASSISTANCE TO SYRIA
WITH PORT REHABILITATION PROJECT

REF: A. 2002 STATE 137904

- 1B. 2002 DAMASCUS 4559
- 1C. 2003 STATE 68977
- 1D. 2003 STATE 219556
- 1E. 2003 TOKYO 4930

Classified By: Ambassador J. Thomas Schieffer for reasons 1.4(b) and (d)
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11. (S) SUMMARY: The Japan International Cooperation Agency (JICA) is engaged in discussions with the Syrian Ministry of Transport and the Latakia Port General Company about entering into a technical assistance agreement to provide training and equipment to upgrade cargo handling facilities at the Latakia port, confirmed Japanese MOFA counterparts. The contract, if agreed upon, is to last for two years and will focus on the improvement of management and cargo handling operations at the port. This development appears to signal the resumption of an earlier agreement to develop the port that was frozen in 2002 at the request of the United States out of concern that Syria was using the port to transship military equipment to the Saddam regime in Iraq (refs A, B.) Embassy Tokyo advised MOFA that any projects that could foreseeably assist Syria to receive and transport illicit shipments of weapons or equipment bound for militias in Lebanon or Iraq would become a subject of concern. END SUMMARY.

12. (C) Embassy Tokyo political officer was initially approached several weeks ago by a counterpart at the Israeli Embassy who was checking a Syrian wire-service report that an agreement between Japan and Syria had been executed in December concerning a project to upgrade the port facilities at Latakia. Embassy Tokyo political officer contacted MOFA First Middle East Division Syria desk officer Hitoshi Ishizuka to inquire. Ishizuka was initially hesitant to respond and said he was unaware of any such project.

¶3. (C) Subsequently, following additional inquiries to MOFA, Ishizuka on January 31 provided political officer with a paper outlining a "Modernization of Cargo Transportation Project" JICA is discussing with the Syrian Ministry of Transportation and the Latakia Port General Company following the dispatch of an evaluation study team November 13-30, 2006. According to the information provided by Ishizuka, the duration of the contract would be for two years and the objective is to improve port management capabilities and cargo handling operations. The five specific activities to be addressed are: (1) to realize proper port management and operations procedures, (2) to improve technical skills in cargo handling, (3) to improve container terminal operations, (4) to improve conventional terminal operations, and (5) to improve and speed up port documentation processing procedures. Japanese assistance will include the dispatch of Japanese experts, the training of Syrian personnel in Japan, and the provision of unspecified training equipment.

¶4. (C) The stated reasons for moving forward with the project are to help Syria to improve the out-of-date transportation and management operations at the port and to bring it up to speed with other regional and international port operations. The Japanese believe that the port will see increased volumes of traffic due to the fact that the Arab countries abolished customs barriers between themselves in 2005 and to the possible creation of a Free Trade Zone in the Mediterranean area. Finally, the Japanese note that improved port facilities will enable increased numbers of freight shipments to and from Iraq.

¶5. (S) This project appears to be the resumption of a port development project the Japanese and Syrians initially undertook in Latakia which was subsequently frozen in 2002 at

the request of the United States due to concerns we had concerning the transshipment of military equipment to Saddam Hussein's Iraq (ref A.) The Japanese later expressed their displeasure over taking such actions and believed it caused them to expend political capital and lose face when the European Union ignored our requests to them that they suspend a similar project they were undertaking with the Syrians in Tartus (ref B.) (NOTE: The EU later did suspend its project in Tartus, see ref C. END NOTE.) Department's concerns about the project did not cease following the removal of the Saddam regime. At the Department's direction, the Embassy, in July 2003, demarched MOFA to urge them not to resume the Latakia project out of concern for Syria's support for terrorist organizations, rather than for shipping arms to Iraq (refs D and E.)

¶6. (C) The MOFA Bureau of International Cooperation Second Country Assistance Planning Division has informed AID Counselor that Japan has maintained a modest assistance relationship with Syria over the years that has focused mainly on small grants administered by MOFA in the "grass roots/human security" fields, technical assistance programs administered by JICA, and Japanese Overseas Corps of Volunteer (JOCV) exchanges also run by JICA. There are currently no active yen loans to Syria. The MOFA small grants projects are usually run out of Japan's Embassy in Damascus and are directed to community development projects such as water supply, sanitation, clinics, etc. One grant aid project run out of Tokyo was a project concluded in FY2006 that involved the supply of garbage trucks to rural communities. In FY2007 the second phase of an eight million USD grant project run out of Tokyo will be a water supply/sanitation project for the city of Damascus. Under the auspices of JICA, Japan trains approximately 100 Syrians a year in Japan in a variety of programs that last anywhere from one week to one year. In addition, approximately 20 to 40 JOCV volunteers serve in Syria each year, as do approximately ten "senior volunteers" who are usually business or professional people dispatched to spend short periods assisting the Syrians with specific projects. According to a MOFA publication dated November 2006, total assistance to Syria between 1975 and 2004 amounted to 964.8 million yen in cultural grant aid and 7.6 million yen for

grant assistance for cultural grassroots projects. (NOTE: These numbers don't appear to take into consideration the two projects mentioned above. END NOTE.) Finally, the Second Country Assistance Planning Division contact told us that the Latakia port project is currently being discussed with Syria by JICA representatives in Damascus.

17. (C) COMMENT: Japan seeks to maintain a "normal" relationship with Syria, as it does with other countries in the region that sometimes prove problematic for the United States. A recent issue of a newsletter that follows Japan's relations with countries in the Muslim world also gave play to a number of calls the newly arrived Japanese Ambassador to Damascus is making on Ministers, including the Ministers of Transport, Culture, Higher Education, and Islamic Endowments.

We note, also, Japan's hesitancy to be more forthcoming with assistance for Lebanon and wonder whether one reason for this is a possible aversion to creating friction in its relations with Syria. Political officer thanked Ishizuka for providing the information on the port project but cautioned that any projects that could potentially make it easier for the Syrians to facilitate shipments of weapons and other supplies to militias operating in Lebanon or Iraq would be a cause for concern. END COMMENT.

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